

MINUTES
March 6, 2003

Seattle City Employees' Retirement System
Regular Board Meeting

Thursday, March 6, 2003 - 9:00 a.m.
Key Tower Room 4080

Present: Dwight Dively, Norma McKinney, Lou Walter, John Curtin and Mary Norris.

Absent: Jan Drago and Frank Mathews.

Also Present: Jess Tapp – ASRCE, Russ Teller – ARSCE, Bill Farrell – ARSCE, John Love – ARSCE/Transit, Kirk Jones – ARSCE, Eddie Haw – ARSCE, Ken Leask – ARSCE, Flick Forna – Buck Consultants, Mel Robertson and Norm Ruggles.

Upon motion by John Curtin, seconded by Norma McKinney, the Retirement Board appointed Dwight Dively to serve as Chair in the absence of Jan Drago.

Public Comment:

There was no public comment.

Minutes:

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board approved the minutes from the February 6, 2003 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 5,047,040.98
Disability	55,015.08
Beneficiary	605,439.76
Pension Payroll – February 2003	\$ 5,707,495.82

Office Payroll - pay period ending January 28, 2003	\$ 21,786.29
Office Payroll - pay period ending February 11, 2003	\$ 21,137.55

Vouchers Processed - from January 29, 2003 through February 27, 2003	\$ 524,463.42 *
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* \$ 491,232.91 Expert and Consultant Services

Immediate Withdrawal of Contributions

<u>Member</u>	<u>Department</u>	<u>Position</u>
Adatto, Rochelle R	Library	Librarian
Barker, Kathy E	Police	Crime Prevention Coord
Boldizar, Shannon C	ESD	Community Dev Spec, Sr
Brown, Latonya C	ESD	Human Service Coordinator
Coulson, Sundra L	OED	Com Dev Spec, Sr
Davis, Karen M	TES	Admin Spec II

Dunne, Theresa Louise	Library	Library Associate II
Ervin, Joyce A.	Parks	Laborer
Franklin, Nicole Danielle	Parks	Rec Leader
Gill, Monique R	Parks	Admin Spec I
Groves, Stacy L	City Light	Camp Service Aid
Herfindahl, Erika J	TES	Watershed Resource Spec
Jardinero, Ramon G	Seattle Center	Admin Spec
Johnson, Glen E	SEATRAN	Painter
Le, Cam Van Thi	Library	Library Associate II
Love, Audrea L	TES	Laborer
Merideth, Barbara Jean	Parks	Admin Spec I
Miller, Lauri	Library	Library Associate III
Miller, Mary L	Police	School Crossing Guard
Mitsules, John F	Parks	Safety and Health Specialist
Morgen, Jeff	Human Services	Youth Instructor
Naubert, Carol J	Library	Admin Assist
Ong, Lie S	Muni Court	Cooperative Intern
Pennington, Sandra L	Legislative	Admin Spec II
Radcliffe, Donna R	Muni Court	Asst Nursing Supervisor
Sheldon Sr, Richard G	Parks	Laborer
Velez, Gloria	ESD	Accounting Tech III
Vo, Tony Tuan	City Light	Admin Spec II
Williams, Stephanie E	Parks	Lifeguard

Upon motion by Lou Walter, seconded by Mary Norris, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Bemis, Christopher	01/04/2003	29	336	K.C. Health	Utility Worker I	60	E,F,G-50
Boone, Carroll H	02/01/2003	1	236	K.C. Health	Dual/Vested	60	C5,G-100
Burgunder, Richard B	01/15/2003	34	349	SEATRAN	Civil Eng Spec, Sup	56	C5
Butterworth, Bruce	10/01/2002	53	74	SPU	Principal Accountant	74	C20
Chiorah, Lora Lue	11/15/2002	25	258	Parks	Recreation Specialist	52	C20,F,G-100
Clark, Thomas	01/15/2003	21	15	Muni Court	Magistrate, Supervising	62	D
Colson, Patricia	01/15/2003	22	224	SPU	Executive 3	60	D
Crandall, Kenneth	02/04/2003	33	240	City Light	Equipment Operator	62	C5
Danielson, David M	01/15/2003	33	141	ESD	Info Technology Prof	64	B
Defferding, David C	02/06/2003	30	116	SPU	Civil Engineer/Supervisor	58	C20
Diel, Sharon L	02/07/2003	22	22	Library	Administrative Secretary	52	S,G-100
Earley, James	01/15/2003	22	161	City Light	Power Structure Mechanic	63	A,G-50
Fjarlie, John E	02/04/2003	30	3	Metro Transit	Construction Manager 3	52	C15,F
Floyd, Floyd L	01/01/2003	23	278	ESD	Community Outreach	77	S,G-100
Frandsen, Paul R	01/29/2003	16	161	Parks	Vested	57	E
Grech, Araceli	02/04/2003	15	57	Parks	Personnel Specialist	60	A
Hansen, Llewellyn V	01/11/2003	33	289	SEATRAN	Senior Civil Engineering	58	C20
Jessup, Shelby	09/11/2002	11	182	Police	Information Technology	65	C5
Klump, Gregory M	10/01/2002	30	0	DoIT	Finance, Budget & Acct	52	B
Kowalczyk, Kenneth	02/06/2003	28	220	Parks	Zoo Keeper	52	E,G-100
Marks, Clifford V	02/05/2003	21	2	DCLU	Land Use Planner III	59	A

Morago, Michael G	12/04/2002	30	0	Parks	Gardener	52	E
Peter, Roger	10/26/2002	38	303	Parks	Rec Center Coord	65	19b
Richmond, John	02/01/2003	13	186	Dual Member	Vested	59	E
Rose, Ernest F	12/04/2002	28	216	Parks	Zookeeper	52	S,G-100
Shaw, Adrian	02/04/2003	30	329	City Light	Meter Electrician	63	D
Tran, Thang G	09/25/2002	24	100	Parks	Electrician	57	B
Wilson Jr, Alton	10/17/2002	29	118	City Light	Electrical Constructor (OI)	58	19b
Woodard, Jon R	10/01/2002	28	143	DoIT	IT Professional	54	C20

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board approved the service retirements listed above, pending final review.

Ratification of Investment Transactions and Statement of Securities and Cash:

Items in the Investment Summary were highlighted by Norm.

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

It was announced that the Investment Committee is scheduled to meet at noon on Thursday, March 27, 2003 in the Retirement Office.

Norm reported that the Investment Committee and the Investment Advisory Committee met with Wurts and Associates on February 27, 2003, to review the investment performance for the fourth quarter of 2002. He also reported that our annual investment performance was down 8.4% for 2002, with equities being negative and with fixed income and real estate having positive performance.

Executive Director Report:

The following summarizes the Executive Director's monthly report to the Board:

Norm informed the Board that member Annie M. Daniels has requested a hearing before the Board concerning her desire to purchase service credit. The hearing has been scheduled for the next Board meeting on April 3, 2003.

Norm read a letter from the Department of Parks and Recreation complimenting Mel Robertson on his presentation on retirement at their recent "Learning Fair".

Norm requested the Board to approve extensions of the Retirement System's custodial contract and securities lending agreement with the Bank of New York, to April 30, 2008. The City Treasury Department is extending its contract with the Bank of New York for the same length of time.

Upon motion by John Curtin, seconded by Lou Walter, the Retirement Board authorized a 5-year extension to April 30, 2008 for the custodian contract and the securities lending contract with Bank of New York, and authorized the Executive Director or other appropriate official to execute both contract extensions.

To fill John Curtin's position on the Board, which will expire on June 30, 2003, a "Notice of Election" has been delivered to all Departments for distribution to their employees and has been mailed to all retirees. Members may file for candidacy from March 24, 2003 to March 28, 2003.

Old Business:

(1) Status of Benefit Enhancements

Norm informed the Board that the estimated current funding level of the Retirement Fund is 72.11% as of January 31, 2003.

(2) Rules and Procedures for Retirement Board Hearings

Copies of the “Rules and Procedures for Retirement Board Hearings” were distributed to the Board and Norm described the revisions. He informed the Board that the process required by the Seattle Municipal Code for establishing rules and procedures includes publishing a notice of intent to establish the rules or procedures.

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board directed the Executive Director to publish a notice of intent to establish rules and procedures regarding Retirement Board hearings.

(3) Additional Legal Services

Norm reviewed his work plan for additional legal services and discussed several alternatives. Norm recommended the Board authorize additional expenditures for legal service totaling \$60,000, to be approximately split between the City Law Department and outside counsel. The plan is to obtain an additional 0.2 FTE services from the Law Department; and retirement law expertise and independent fiduciary advice from outside counsel.

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board approved the recommendation of the Executive Director.

(4) Retirement Board Meeting Dates

Norm discussed the request by Jan Drago to change the start time or change the meeting dates for the Retirement Board, at least for the rest of the year, due to a conflict with City Council Energy and Environmental Policy Committee meetings.

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board agreed to shift the start time of the Board meetings from 9:30 am, to 8:30 am, for the rest of the year.

New Business:

Lou Walter asked about the relationship between the funding ratio and the unfunded liability amortization period, and asked if they both could be reported each month.

Mary Norris stated that she supported the suggestion by Lou Walter at last month’s Board meeting, to have the Board review and consider the possibility of an ad hoc COLA for retirees.

Norma McKinney reminded the Board that the annual performance review for Norm is due, and that she will be sending out some material to the Board and asking for input regarding Norm’s performance.

Adjournment

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 10:15 a.m.

Norma McKinney, Secretary